



COMPACI-News

Competitive African Cotton Initiative

Portrait: Parnwell Shambosha - The First Zambian Cotton Farmer to Own a Tractor

By Gracious S. Hamatala (Yield Manager at Dunavant Zambia)



Parnwell Shambosha

Parnwell Shambosha was born in 1960 as the son of a headman. This enabled him to successfully finish not only primary school (7 years), but also secondary school (5 years). Parnwell Shambosha is married to two women and has 14 children, three of which are boys.

At the age of 26, his father handed a farm with 38 ha over to him and his siblings, where they used shifting cultivation (alternation of fallow and crop rotation) -

as it is still common practice in some parts of Zambia. They cultivated cotton, corn, sunflowers and peanuts each year on a cultivation surface of 12 ha with average yields in cotton stack of around 500 kg/ha.

In 1999, Shambosha decided to become a distributor for Dunavant Zambia (DZL). The distributors act as a link between Dunavant and the village farmer associations in DZL's extension system. The distributors allocate the inputs, are responsible for the buying-up of the farmers' seed cotton and for the repayment of the loans. In general, they also run demonstration plots for training member farmers. Shambosha's activity as a distributor not only brought him additional income - the distributors receive premiums depending on the quantity of cotton delivered and on the quota of repayments of loans - but he was also able to undergo additional training himself. The combination of the use of oxen, the conversion to conservation farming (minimum tillage) and the use of compost led to an increase of Shambosha's yields to 700 - 800 kg/ha. Thanks to the additional income, Shambosha was able to buy a hammercorn mill in 2005 to boost his business.

Based on his potential Shambosha was identified as a candidate to apply for tractor financing in 2007. In the beginning he was not very successful. No bank was willing to provide financing as neither the oxen, nor the corn mills nor the soil cultivated by Shambosha sufficed as financial security. Fortunately Dunavant Zambia decided to introduce funding for tractors on a pilot basis at that time. Shambosha was lucky to be chosen as the first farmer for this pilot financing project. He made a down payment (from his proceeds as a distributor and from the sale of his oxen for US\$5,000) in order to obtain a loan of US\$22,000 for funding a tractor (excluding service costs of up to US\$9,000 over three years). The use of the tractor allowed Shambosha to increase his own cultivation area to a total of 60 ha, 20 ha of which were cultivated with cotton. Additionally he provided tillage services on a contract basis to fellow farmers in his community and was able to raise additional income by transporting

the seed cotton to the marketplaces. The yields developed so positively that Shambosha was able to repay his loan after just 9 months. This year he has acquired a second tractor and a boom sprayer. He is now able to provide spray services to the farmers in his community with the boom sprayer.

- *Q: With how many farmers did you work together last season (2010/11) and what was the volume produced?*

A: I worked with 113 farmers and the volume produced was about 357mt.

- *Q: What would be your honest assessment of the COMPACI - DZL Yield program?*

A: It has definitely helped in increasing income in families by increasing yields for cotton and other crops as well. As a result, we are now more able to secure our food supply. As a family we have made an excess of k 300 million (US \$60,000) this season alone which for me feels like a dream come true, as I never thought that this could be done with cotton.

- *Q: How did you manage to increase production and yields?*

A: We used to plant cotton in the traditional fashion, but now we follow the right principles (ten fingers) we learned from training facilitated by COMPACI. I was lucky to be the pioneer for the Dunavant tractor scheme, which helped me and other farmers increase both our yield and cultivation areas.

- *Q: What other benefits have resulted from this tractor scheme?*

A: It has not only helped boost the annual income, but increased my basic knowledge of farm mechanization. I'm now a proud owner of two tractors, a ripper planter, a boom sprayer and I now have decent accommodations and clean water. Furthermore, it has relieved my family from the degree of hard labor we knew at the time I was using oxen (Shambosha jokes, "In fact, had I not started with mechanization, I would have tried to get another wife given the increase in work and hectarage - but now that is not necessary anymore").





Zambia

- *Q: Tell us something about the bonus scheme you introduced last season, what was your motivation behind it?*

A: As a tractor owner and businessman, I need reliable and good farmers. There are other people who also want to employ these farmers and therefore I need to be competitive to convince good farmers to stay with me.

If farmers grow more cotton and achieve good yields, say 1000 kg/ha, it is easier for my farmers to pay back their loans, as they will then have excess crop beyond their input costs.

By awarding premiums to high performers, other farmers are motivated to also achieve good yields and at the same time it results in a favorable business volume for me. Instead of losing farmers in the face of competition, I actually gained the support of some more farmers and the yield this year has gone up further from 1062kg/ha to over 1200kg/ha for each of my farmers (including myself).

- *Q: 1200Kg/ha for all your farmers is a remarkable achievement in a country where yields are usually around just 500kg/ha. What else have you done to achieve this?*

During my visits to West Africa, I saw that fertilizer was used in very sandy soils and that farmers actually achieve better yields by also applying saw dust and organic manure.

I decided to start the fertilizer program so that I can show by example that we can get better yields than we are currently

achieving. In the past Dunavant tried to give us fertilizer, but we never understood it properly, with the result that we applied the fertilizers on maize, which was obviously wrong.

It was like an experiment conducted on farmers who were not convinced and had no experience or means of comparison for how cotton farmers can benefit from fertilizers.

- *Q: In combination with the use of fertilizers, you started a robust (herbicide) weed cotton program. Why did you implement so many things simultaneously?*

A: If you plant crops while using fertilizers, weeds also become aggressive and may consume all of your nutrients. The only way to enable that crops to benefit from fertilization is to control weeds. If you want to make a profit, the crop needs to be weed free, especially in the first 10 weeks of growth when the foundation is established. I also increased the size of my field, which would have been difficult to achieve without herbicides, especially when practicing minimum tillage.

Success is also accompanied by new challenges. The extraordinary increase in yield requires a large workforce during harvest. These workers often come from far away and need accommodations and food.

For this reason, Shambosha has started to seriously consider acquiring a harvester. More surprises can be expected the future development of the family-run farms in Zambia's cotton sector. •

COMPACI & Cotton made in Africa: Stakeholder Conference in Livingstone / Zambia, October 2011

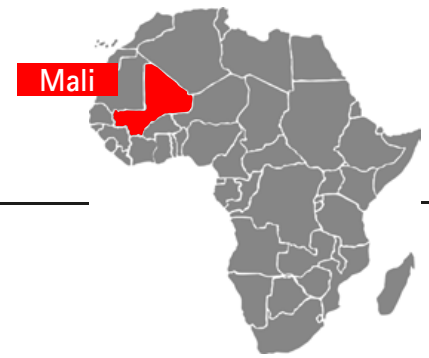
The annual Stakeholder Conference was held in Livingstone / Zambia from 12-14 October. Also this year around 80 guests from various African countries, Europe and the USA participated in seminars and workshops to discuss the development of COMPACI, but also the marketing side of Cotton Made in Africa. The event took place close to the beautiful surroundings of the Zambezi River and the spectacular Victoria Falls.

You can find the complete documentation of this event on the website of the Aid by Trade Foundation:
<http://www.cotton-made-in-africa.com/Partner/en>

If you do not have a partner login, please do not hesitate to contact Lara.Mockewitz@ABT-foundation.org.

Save the date for the next conference: 12 - 14 September 2012 in Hamburg, Germany!



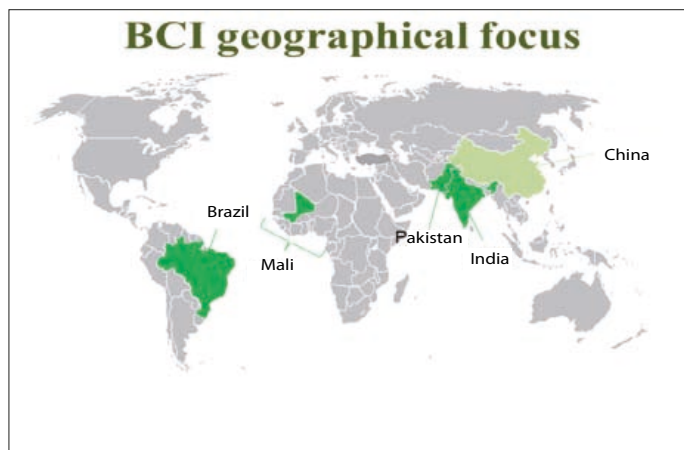


Overview: The Better Cotton Initiative (BCI)

By Constantin Brinkmann (COMPACI Project Manager)

The multi-stakeholder Better Cotton Initiative (BCI) was established in 2005. Since then, the initiative has been collaborating with various organizations and interested stakeholders along the cotton supply chain to facilitate a solution for the mainstreaming of more sustainable cotton. The philosophy behind "Better Cotton" is to develop a market for a new global mainstream commodity – Better Cotton – that has been produced in a more sustainable way. This brings benefits to cotton producers – and other people that depend indirectly on cotton to maintain their livelihood – as well as benefiting the environment and the sector's future in the long-term.

During the start-up implementation phase (2010-2012), BCI's geographical focus has primarily been on four regions: Brazil, India, Pakistan and Mali, with projects currently being piloted in China (first Better Cotton harvest expected there in 2012). One of BCI's goals for 2012 is that 1.3% of global cotton production (approximately 300,000 MT cotton lint) be produced as Better Cotton in these countries.



Governance of BCI and participating retailers

Representatives of various interest groups along the cotton value chain – from farmers to civil society, retailers and brands, suppliers and manufacturers– participate in BCI: Each interest group is represented with up to three seats in the BCI Council, which – alongside the General Assembly – is the main representative



Constantin Brinkmann, MA, studied Political Science, Islamic Studies and Modern History at the University of Bonn. He completed several stays abroad in the Middle East and worked as a consultant for the MENA department of the German Development Institute (GDI) after graduating. Since 2009 he has been part of the DEG team within the COMPACI project.

decision making organ in BCI's governance.

The following organizations are presently represented in the Council: Brazilian Association of Cotton Producers (ABRAPA), Farmers Associates of Pakistan, Pesticide Action Network UK, WWF, Solidaridad, IKEA, H&M, Levi Strauss & Co., ECOM Agroindustrial, Arvind and Orta. BCI is supported by an Advisory Committee consisting of globally respected individuals with expert knowledge within specific areas of the global cotton sector.

For the time being, Better Cotton does not have a label and is concentrating on developing its business to business (B2B) relationships with retailers and brands and their supply chains. The list of current Better Cotton retailers and brands is as follows:



Funding of BCI

The Better Cotton Initiative is currently funded by its members, the Swiss State Secretariat for Economic Affairs (SECO), the Swedish International Development Agency (Sida), the WWF-Sweden and the "Better Cotton Fast Track Program" (BCFTP), a strategy developed by a group of private and public players to speed up the implementation of the Better Cotton System.

Future cooperation of BCI and Cotton made in Africa: partnership in Africa

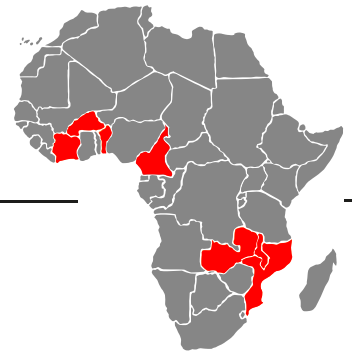
The BCI and Cotton made in Africa (CmiA) have come a long way in supporting cotton producers in establishing a sustainable verification system and in enlisting the support of large retailers and brands in the last 6 years. Both initiatives were founded to make cotton production more economically, socially, and environmentally sustainable. And as both organizations continue to grow, there is potential for increased efficiency with regard to international trade partners and cotton farmers.

While the BCI addresses large and small cotton producers worldwide, CmiA focuses exclusively on smallholder cotton farmers in Sub-Saharan Africa. Both initiatives focus on farmer training and support and promote cotton production according to sustainable production principles and criteria.

In order to maximize the joint impact and avoid parallel engagement, the BCI and the Aid by Trade Foundation – owner of the CmiA label – signed a Memorandum of Understanding (MoU) in September 2011. This MoU outlines a number of basic principles and a working approach with the objective to intensify the cooperation and collaboration between the Aid by Trade Foundation and the BCI. The two hope to sign a "Partnership Agreement" by the end of March 2012.

A successful partnership could increase retailers' market access of more sustainable cotton sources and offer increased efficiency for hundreds of thousands of smallholder cotton farmers in Sub-Saharan Africa. •

For further information please visit www.bettercotton.org.



Promotion of soil and water conservation in cotton production in West and South-East Africa

By Stefan Kachelriess-Matthess (Agricultural Extension Advisor at GIZ)



Stefan Kachelriess

At the 5th stakeholder conference, one important topic for the mutual exchange amongst COMPACI partners was "soil and water conservation (SWC)/conservation des eaux et des sols (CES)," the term frequently used in West Africa (Benin, Burkina Faso, Côte d'Ivoire) and "conservation agriculture (CA)," which actively promoted and applied in Zambia. The concept also attracts interest in Malawi and in Mozambique but is not yet as widely spread.

The technical meeting in Livingstone was the fourth in a series of exchange activities promoted by COMPACI. The use of organic manure and erosion control measures and minimum tillage systems were discussed in 2009 in Ouagadougou. A regional workshop has been dedicated to the topic in 2010 and took place in Lusaka (see COMPACI News 01/11). An exchange visit to Burkina Faso and Cameroon with a focus on the production and use of compost, the Zai-technique and erosion control by stone bands was organized in September 2011 and promoted by Faso Coton and their partner Zood Nooma in Burkina (see article from Marc Leynaert this issue). The use of cover crops and direct sowing into mulch/semis sous couvert végétal (SCV) promoted by SODECOTON, CNPC-C and Cirad and has gained relative importance in northern Cameroon (see article of Fernand Sadou this issue). Practices seen there are currently replicated and tested for applicability by some of those who participated in their home countries.

Profitability of compost pits proven

Earlier this year a regional workshop on the design of extension materials for the promotion of compost and organic manure was hosted by Faso Coton in Ouagadougou for their staff and participants from Benin and Côte d'Ivoire. The training materials for farmers are about to be finalized and have been field tested in all participating countries.

Furthermore, a study on the economics of the production and use of compost showing not only the economic feasibility, but also emphasizing the agronomic, economic and ecological benefit in maintaining soil fertility by adding organic matter to the soil, was conducted in Burkina Faso.

The possibility of recovering degraded land by applying CES and compost cannot be underestimated and is recognized by farmers. This was clearly illustrated during a field visit to Côte d'Ivoire where the team met a farmer who did not spare any physical effort for the construction of erosion control strips on his plot. He collected stones from a nearby slope, transported them in a wheelbarrow and erected the stone bands on contour lines all

by himself in hard manual work only with some technical advice from field assistants of Ivoire Coton. He clearly expressed his concern and conviction: "I need to protect the land inherited from my father to be able to continue to crop on this piece of land, as I do not have alternatives and cannot find land somewhere else."

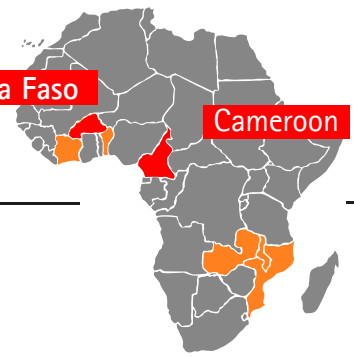
COMPACI and its partners promote conservation agriculture with all its aspects of soil and water conservation, restoration and maintenance of the soil fertility through minimal soil disturbance, continuous soil cover and building up organic matter and also assist the stakeholders in integrating soil and water conservation into their recommendation for good agricultural practices in cotton production.

Better use of available manpower

In Zambia not only the ecological and agronomical benefits of the adoption of conservation agriculture, but also the positive impact on total labor use and reduction of labor peaks, have been demonstrated. Applying conservation agriculture allows farmers to comply more easily with early land preparation and early sowing principles and they are able to benefit from early rains and maximize their use of scarce water.

We can also observe a clear shift from manual methods towards mechanization. The pot holing techniques (planting basins), in which the chaka hoe is used on smaller acreages, have given way to the use of oxen drawing a Magoye ripper. Appropriate veterinary services are a key success factor here. The model of tillage service provision by owners of tractors equipped with a ripper, and eventually direct sowing machines, is becoming increasingly important. This concept has been successfully promoted by DUNAVANT Zambia. One of the major challenges with all systems being promoted is the conservation of the biomass on the field during the dry season and, especially, protecting it against bush fire and animal grazing. Weed control can be achieved through the use herbicides, which can be properly applied by specialized spray service providers. Interestingly, the adoption rate for conservation agriculture practices has been particularly higher among female farmers than among male farmers. •





The SCV system (direct sowing under mulch): Experiences gained by Sodecoton in northern Cameroon

By Fernand Sadou (Head of Division Professionalization at Sodecoton)

What is SCV all about?

SCV is a form of conservation agriculture which improves soil fertility and yields compared to conventional tillage methods. It is based on the following three principles:

- absence of tillage
- permanent plant cover of the soil
- sequence and rotation of crops and cover crops (e.g. leguminous crops which are able to fix nitrogen or other plants that play an important role in the mobilization of nutrients in the plant-soil system).

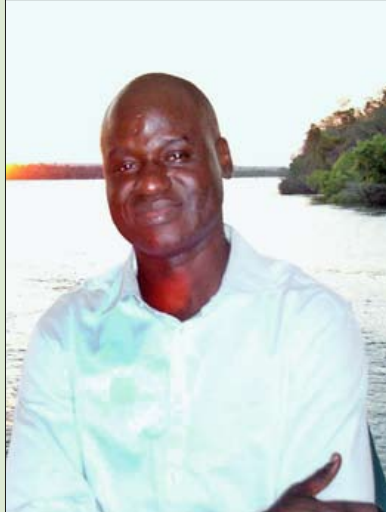
In practice: How is the SCV technique implemented by the cotton farmers?

The first step in changing to SCV is either a mixed cropping of a cereal and a cover crop, or the single cropping of the cover crop. In the following year, cotton or corn, for example, is sown. These seeds are directly sown into the soil still covered by mulch produced from the biomass of the cover crop of the previous year.

What are the advantages of SCV?

SCV improves the water absorption capacity of the soil, improves weed control, enhances environmental conservation, increases soil fertility and improves the sustainability of the entire cropping system.

Results obtained after applying SCV in agricultural areas during a six-year trial period



Fernand Sadou

After six years, the following three SCV systems have delivered a satisfying performance in practice: sorghum combined with cover crop (7,000 ha); corn combined with cover crop (8,900 ha) and single cropping of the cover crop (1,860 ha): Brachiaria and crotalaria are used as cover crops. When SCV is applied, an increase in cotton and corn yield of 30 % can be achieved in the following growing season.

Which disadvantages and challenges are associated with SCV?

There is a competing demand for the produced biomass among the livestock farmers. Bush fires are another major problem during the dry periods. From the technical point of view there are also some obstacles, as the direct sowing into mulch requires suitable equipment. Farmers also face a shortfall in revenue during one year. Given that only two different cover crops are used, the

number of options is limited to date.

What are the strategies for resolving these problems?

Achieve a better understanding and coordination between all users of the agricultural land is vital, especially between farmers and cattle raisers. Part of the biomass produced by the cover crop could, for example, be sold as livestock forage. Another important issue is the creation of incentives for producers, e.g. by providing them with suitable sowing machines or by offering subsidies for the year when SCV is introduced and when crop shortfalls are foreseeable. •

Soil and water conservation: A challenge for future generations

By Marc Leynaert (Production Director at FASO COTON)

Faso Coton's cultivation area is situated in the central part of Burkina Faso. Its proximity to the capital, its high population density and the nowadays much more infrequent and irregular rainfalls distinguish it from other cotton acreages in the country. As a result this area, which may also see its population double within the next twenty years, is feeling increased pressure.

In this context, the issue of soil and water conservation is becoming a high priority topic that is necessary to ensure that sufficient fertile and cultivatable land will be available to future generations. This is especially the case when considering that almost 80 % of Burkina Faso's population is currently involved in agriculture.

Faso Coton has always been aware of this situation and has placed a special emphasis on this issue right from the beginning. Their focus on this situation was further strengthened when support from the DEG and COMPACI was initiated in 2006 and 2009, respectively. Within the framework of this project, approximately 2,250 compost pits have been dug and stone bunds have been erected on an area of 375 ha. Additionally, more than 4,000 cotton farmers have been trained in techniques for soil and water conservation.

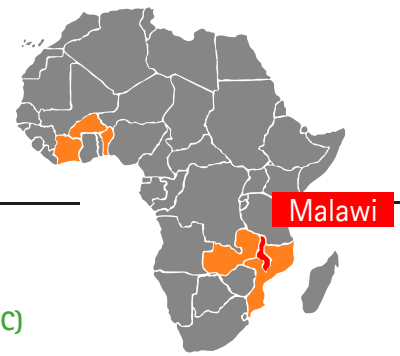
An initial conclusion that can be drawn is that farmers are becoming increasingly aware of the importance of the production of organic materials, especially now in the face of consistently rising prices for mineral inputs (prices increased almost 70 % during the last two years). After receiving support through necessary training measures, the farmers were able to apply the recommended techniques, which generated a domino effect on farmers who were not directly supported by the program through the digging of compost pits or the setting up of stone bunds. Although the impact of such

a program can only be assessed in the medium term, it is very encouraging to see that it has already not only been possible to recover formerly degraded erosion-prone parcels, but also that the use of organic fertilizer has had a positive effect on cotton fields and on food crops, both with respect to productivity, as well as to maintaining and improving fertility. According to estimations, at least 30 % of the organic fertilizer produced in the compost pits in the framework of the project is destined for the cultivation of food.

Nevertheless, the demand for organic fertilizers in Faso Coton's cultivation area remains strong. The organic material produced annually by one compost pit suffices for the fertilization of a half hectare (the average size of a farm is around 6 ha). For this reason and due to the fact that the conservation of agricultural areas for future generations largely depends on current efforts, Faso Coton is striving for a continuation of its activities in this direction with support from its partners. •



Marc Leynaert



GREAT LAKES COTTON DAY

By Patricia Mphundi (Project Manager at GLCC) and Amos Chipungu (General manager of GLCC)

"Today is about bringing everybody together"

With these words, Nick Earlam, Chairman of the Great Lakes Cotton Company and Plexus Cotton Ltd., opened his speech for the GLCC's Cotton Day, which took place on 17 October.

And indeed: Thanks to excellent logistical planning, 260 corporate members, as well as national and international guests from various stakeholder organizations, among them Wolfgang Bertenbreiter (GIZ), Deputy Director of the COMPACI program, were able to attend this unique event in Blantyre.

The purpose behind this meeting was to recognize achievements and to encourage the staff's morale but also to address challenges in order to pave the way to future success, not only for the company, but also for Malawi's cotton sector. In an open Q&A



issues were also discussed: The Anti Corruption Bureau (ACB) gave a presentation on the danger of fraud and corruption while emphasizing a special prevention policy that the ACB and GLCC have developed. Employees were encouraged to cease and desist from any corrupt practices and to serve the farmers. Nick Earlam emphasized the need to increase cotton productivity in Malawi, where production is still very low compared to other cotton growing countries in Sub-Saharan Africa. It is therefore essential that the smallholders be trained on how exactly to grow cotton and use chemicals properly. But it is even more important that the training content then be implemented by the farmers. The farmers' identifying themselves with the GLCC and their commitment to the company plays an important role in achieving the GLCC's goals and in making cotton the number one export crop for Malawi.



The picture shows a scene from the play presented at the GLCC Cotton Day; it is centered around the lives of Mr. and Mrs. Nyonga, two fictional cotton producers.

A play on growing cotton, awards for outstanding employees

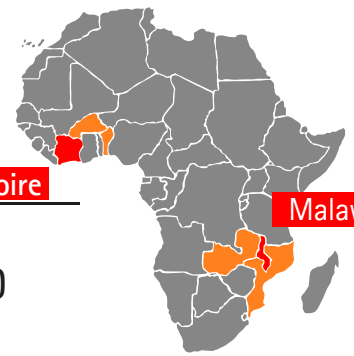
The commitment of the staff was also demonstrated with a play: The employees performed the life of the fictional cotton farmers Mr. and Mrs. Nigoya accompanied by lots of dancing and music - to the delight of the audience. In the evening, 26 outstanding members of the GLCC's staff from various divisions, including field work, ginneries and the head office, received an award as acknowledgement of their work. The GLCC's event was then crowned by a dinner for all participants. All in all a very successful day! •

round, Nick Earlam encouraged the "Great Lakes Cotton Company family" - among them representatives of management and farmers, as well as suppliers, competitors and customers - to share their ideas, dreams and proposals for improving the GLCC.

Spencer Zinyemba, Crop Production Manager at GLCC, gave a presentation on the progress and accomplishments of the COMPACI program, through which 57,000 farmers have been contracted by GLCC. He also elaborated on the achievements in the field of extension and gender activities realized through the COMPACI program. Managing Director Amos Chipungu highlighted the increase in competition in Malawi that developed from only two ginning companies ten years ago to 11 corporations, with GLCC remaining a major player in the industry. He pointed out that USD 15,000,000.00 (MWK 2.3 billion) were spent in crop procurement during the 2010/2011 season, from which farmers have benefited directly. This has significantly contributed to a considerable reduction in poverty. The government also wants to massively support the cotton sector in the next growing season.

Key to success: training but also commitment & identification Although the atmosphere was generally very pleasant, serious is-





Interview with Nick Earlam (Executive Chairman and owner of Plexus Ltd.) during GLCC's COTTON DAY



Nick Earlam

What is the GLCC Cotton Day? And why do the GLCC and Plexus organize such a day?

We need to answer these two questions in one go: For the kind of operations that we run in Africa, i.e. including smallholder agriculture and thousands of stakeholders, it is sometimes very difficult to create a common culture and identity within a group that is spread over hundreds of different buying stations and which consists of many different employees and stakeholders.

The Cotton Day was an opportunity to bring all the diversified parts of the company together in one place, thus enabling everyone to understand what the culture of the company is, which part they play in it and what we as employees expect of them. In the past this had been communicated separately at individual places rather than on one site. By bringing everybody together, a higher identity and feeling of belonging was created by the ability to communicate and the swapping of knowledge compared to the past. It also provided an opportunity to ensure that all employees understand the company's values and what the company expects of them.

The plays and the presentation by the ACB reinforced this corporate culture.

The Cotton Day also gave Plexus the opportunity to receive feedback from the members of the company and learn about what is happening on the fields or how people think about the way the company is run. The Cotton Day is a way to bring all these issues to the attention of the management and the owners of the business.

It is also an occasion for the company to reward the employees with the best performance in a very open, transparent and remunerative way. We hope that by doing so we have created competition amongst those who

did not receive any award and encouraged them to be part of the prize giving ceremony the following year. Furthermore, the Cotton Day enabled us to push our vision for the company forward and to try to create a feeling of belonging for everyone who is part of it.

What did you achieve from the Cotton Day from a management perspective? What are the lessons learnt?

We think that bringing everybody together in one place alone was a great achievement given the logistical effort. We are convinced that we helped create a feeling of belonging and pride and an understanding that the management of the company and the owners of the company are real people who are living the business every day.

To be sure, one of the most important lessons learnt was that we wish we had done this many years ago. It was obvious that such an event – if well organized – reinforces morale, enthusiasm and the desire to go forward. We do, however, think that we will recognize more and more lessons learnt from this event in the course of time and that our on-going business will reveal further benefits.

For all these reasons, we plan to hold such events for all similar operations. •

CV

Name: Nicholas PF Earlam

Nationality: British

Current Position: Executive Chairman and Owner of Plexus Cotton Limited, Liverpool

Career: Nick Earlam founded Plexus Cotton Limited in 1990. The Plexus Group currently generates more than half a billion dollars annually and employs several thousand people worldwide through its overseas operations. These comprise numerous Sub-Saharan African countries as well as China.

Djiguiya Kabacha – Hope in the shadow of Mount Kabacha

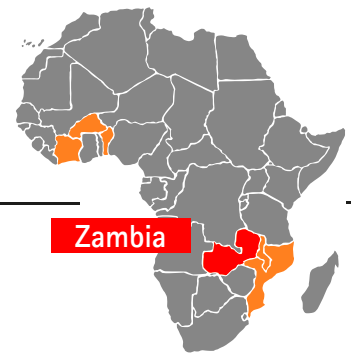
By Roger Peltzer (Project Director of COMPACI)

This is the name of a women's cooperative in Boundiali, a small town in the north of Côte d'Ivoire. Its chairwoman is Bamba Tienousougou and it presently has 65 members and comprises various activities. The women, for example, jointly cultivate rice and peanuts, take care of vegetable gardens and raise chickens. The proceeds from these activities do not only significantly contribute to feeding the families, but they also enable the women to buy clothes made of pagne, a material which is typical for the entire Sahel area. It has been approximately 10 - 15 years since women started to join together to establish production cooperatives. These cooperatives meanwhile exist in almost every larger village, in the small town of Boundiali alone there are 18. As far as daily life is concerned, the cooperatives provide the women with a high degree of economic independence from their husbands, who are all cotton farmers. Additionally they fulfill an important social function. Correspondingly, when asked about the most important achievement of the cooperative, Bamba Tienousougou, rather than talking about figures related to production and investments, emphasizes that social cohesion within the neighborhood has improved significantly. Whereas in the past many false rumors were spread, nowadays the women prefer to discuss important issues during their fortnightly meetings. Another example is that all women help each other when big festivities, such as a daughter's wedding, are at hand by contributing dishes and drinks in order to make the event a success.

The findings of the COMPACI Baseline Survey for Côte d'Ivoire have shown that a very high proportion of the families interviewed (app. 70 %) in the country's cotton regions are affected by a hunger season, which means that these families are lacking food during the months prior to the next harvest. The women's cooperatives with their spe-

cial focus on irrigated vegetable cultivation could make a contribution to combating this phenomenon. With the help of irrigation, the vegetables can be harvested throughout the year, thus being used for nutrition or to earn a living especially during the hunger season. For this reason, Ivoire Coton has decided to support a total of 25 women's cooperatives with 3,000 euros each in a cooperative effort together with DEG and the Aid by Trade Foundation. In order to qualify, the cooperatives have to take part in a small competition. The money is earmarked for investments in wells, agricultural equipment and material for constructing fences and chicken houses. At least 1,250 women and 12,500 family members will benefit directly from this investment. The program will be implemented in the short term, evaluated within one year and, if appropriate, expanded in the future. It is expected that it will effectively contribute to food safety and to women's empowerment. •





Zambia

Cargill Cotton Women Clubs

By Emmanuel Mbewe (Project manager at CARGILL Zambia)



Emmanuel Mbewe

It is Friday, 5 o'clock in the afternoon. The work on the family field is done, but for many women in the Cargill growing area the next part of the working day has just started. The women of the Cargill Cotton Women Club (CCWC) in the Mapala Depot, which currently consists of 50 members, are meeting once a week on their jointly owned field where they receive training lessons in farming of cotton and, if they request, in other crops from a Cargill extension agent. Their club is only one of 416 CCWCs in the Eastern Province of Zambia. With encouragement from Cargill, the CCWC emerged through the initiative of female cotton farmers out of the Cargill Cotton Schools. 244 of the established CCWCs in the 2010/2011 season own a jointly managed field, which is a precondition to be supported by Cargill with production inputs (for that field). Cargill also requires that CCWCs have a minimum of 15 cotton producing participants affiliated with a cotton school and their common field must measure at least 1.5 ha. The members represent either the head of the household or are spouses of male cotton producers who regularly attend training at the cotton schools.

Training must arrive at the women

Why is Cargill supporting the emergence of such women's clubs? On the one hand, husbands usually sign the Cargill grower contract in the name of the family, which in the past often curtailed the possibility for their spouses to participate in the trainings. Furthermore, women often were perceived to feel intimidated during cotton school sessions in the presence of mainly males and family members. Moreover, women face the challenge of reconciling all their responsibilities like work on the family field, caring of the family and carrying out the household duties, so it is often difficult for them to also include cotton training sessions in their busy schedule. The lesson learnt by Cargill was to focus and adapt extension care and training specifically for women, which has led to the emergence of the CCWCs. Cargill supports measures to improve the knowledge and skills of those female farmers to increase their productivity in cotton production,

quality and thus income. The establishment of the CCWCs was essential for the women to benefit from the training program to the same extent as their male counterparts do. They are able to abandon their timidity and actively participate in groups exclusively comprised of women. Furthermore, the courses are offered at times that are compatible with their additional duties.

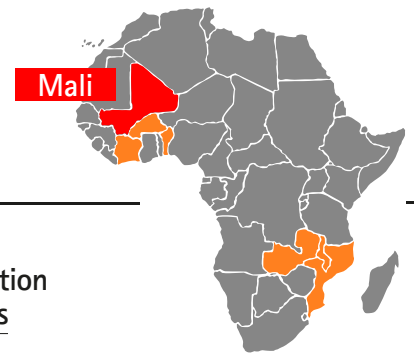
High responsibility for the women

One of the main reasons for encouraging women to form CCWCs is the assumption that women are significantly better in loan repayments than men. Furthermore, they seem to be better at adopting new approaches aimed at enhancing crop yields. This is true for the CCWC in the Mapala Depot in Chipata North as well. By farming on the common field the female farmers consequently earn some extra money independently from their husbands, over which they have control and with which they can contribute their own share to the family income. In addition to increasing their incomes within the CCWCs, there is also an opportunity to increase the balance of the

groups' common account. Cargill, for instance, provided the Mapala CCWC with a ripper sold on credit for speeding up the seedbed preparation, a time consuming and labor intensive work step. The club is able to provide ripping services (or lend out the ripper) for fellow farmers for at least 10 hectares against a service fee. When asking the club members what they will do with the additional income earned on the common field, they offer creative ideas for investing the money. They suggested building a storage facility and renting it out to companies like Cargill. Another idea was to support social projects in the area, for example, providing care to orphans.

These plans underline the necessity of supporting the extension of CCWCs. It is assumed that at least 300 of the existing clubs will hold their own fields and be supported by Cargill in the 2011/2012 season. •





Interview with Mamadou Ouattara, Permanent Secretary of AProCA: Association des Producteurs de Coton Africains / Association of African Cotton Producers

COMPACI News: Could you give our readers a brief description of the AProCA?

Mamadou Ouattara: The AProCA is the umbrella organization of 15 different national associations representing cotton farmers in Africa. The association is headquartered in Bamako, Mali. Our Executive Board is comprised of 8 members, all cotton farmers from 8 different countries. There is also a team of technicians (Permanent Secretary), which consists of 6 full-time employees, two of whom are specifically responsible for coordinating the projects carried out with the BCI and AFD.

COMPACI News: Up to now the AProCA has been a predominantly francophone association: How does the exchange with Anglophone Africa work?

Mamadou Ouattara: At present, all our board members exclusively come from Francophone Africa. There are, however, also member associations in the English-speaking countries like Zambia, Ghana and Gambia, for example, which are founding members of the AProCA. In the course of the revival of the Ghanaian cotton sector, we hope that cotton farmers from the neighboring countries will start to get actively engaged. They could also serve as a bridge to link our colleagues from Eastern and Southern Africa. However, it cannot be denied that there is a language problem. The association uses three different languages for its work (with simultaneous translation): French, English and Peul.

Following an invitation from COMPACI, I had the opportunity to participate in the latest stakeholder conference in Livingstone, where I met representatives of cotton farmers from Malawi, Zambia and Zimbabwe. These colleagues wanted to form a regional association in close cooperation with the AProCA. In this respect, COMPACI helped us strengthen the cooperation between the farmers' representatives from Francophone and Anglophone Africa.

COMPACI News: How well organized is the AProCA and does it have an adequate financial basis?

Mamadou Ouattara: Much remains to be done in this respect. The membership fee is between 1,000 and 2,000 euros, depending on the size of the national associations. Not every association, however, is paying its fee regularly. The fees are only sufficient to cover a fraction of our budget, which amounts to approx. 150,000 euros p.a. We additionally are dependent on co-financing projects, such as the projects carried out in cooperation with, e.g., AFD, or on subsidies from single donors.

Even a meeting between our board members is often impossible to hold, since we are not able to raise the 18,000 euros required for covering the travel and accommodation expenses. To address this problem we are, however, trying to set up a communication platform in cooperation with the MAEE (Ministry of Foreign and European Affairs, France) via the Priority Solidarity Fund (PSF), which could enable us to hold board meetings by video and telephone conference in future. Although this represents a large initial investment, we hope that it will not only facilitate our work significantly, but also contribute to cut down travel expenses.

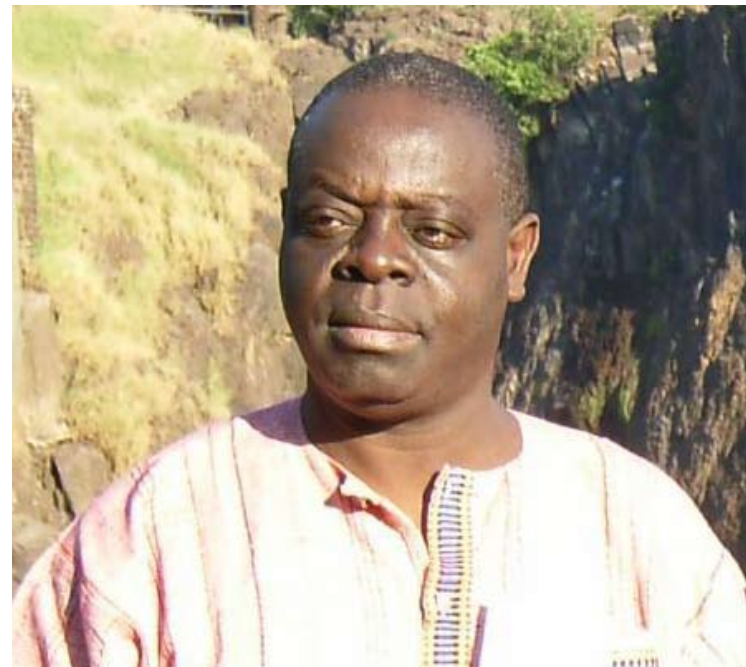
Additionally we should seriously consider raising the membership fees, which is important if for no other reason than to increase our visibility with regards our partners.

COMPACI News: How do you assess the relationship between the farmers' associations and cotton companies?

My personal view – which does not necessarily reflect the opinion of our Board as a whole – is that the farmers would generally be well advised not to rashly involve themselves additionally into the ginning and trading of cotton, as this could entail major risks. These new tasks bring about new challenges, which the farm-

ers are not able to master yet. Such an involvement could, e.g., quickly lead to mismanagement, which has been the case in the past with the cotton farmers in the north of Cote d'Ivoire. Private or parastatal companies might be more suitable for these tasks. Tough and skillful negotiators representing the cotton farmers would then be required for negotiating with the companies. They should ensure that fair prices are guaranteed for the farmers' seed cotton, that input prices will not be overpriced and that cotton companies and the corresponding governments secure sustainable production conditions that enable them to generate appropriate incomes. These conditions include, for example, road maintenance and creating security in the cotton acreages.

COMPACI News: Thank you for the interview. •



CV

Name: Ouattara Mamadou

Nationality: Ivorian

Position: Permanent Secretary of the Association of African Cotton Producers (AProCA)

Profession : Agricultural Engineer

Imprint

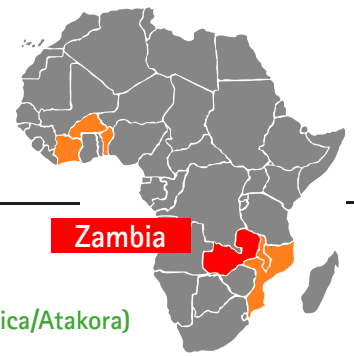
Editor | Editeur: Roger Peltzer | Project Director | Directeur du Projet
Wolfgang Bertenbreiter | Deputy Project Director | Directeur adjoint du Projet

COMPACI Program
c/o DEG-Deutsche Investitions- und Entwicklungs-gesellschaft mbH
Kämmergasse 22, 50676 Köln (Cologne) Germany

Coordination: Constantin Brinkmann

Mail: brc@deginvest.de

Layout: Simone Reusch, Andreas Wüinkhaus | Agentur Mustermann | Düsseldorf



Zambia

New School Project in Zambia

By Tina Stridde (Managing Director for Marketing and Communication of "Cotton made in Africa/Atakora")



The Aid by Trade Foundation has launched a project to promote Zambia's school infrastructure in cooperation with the Otto Group, the Dunavant Zambia cotton company and the DEG - The German Investment and Development Company. The project will ensure that around 7,000 girls and boys in the Cotton made in Africa (CmiA) initiative project region will soon have better access to education.

The goals of this cooperative project are to enable as many children as possible to attend school and to improve school infrastructure as a whole. The Otto Group is convinced that education is the key to a sustainable future and one of the main reasons why the company supports the project.

The project, which the partners will finance over the next three years, includes plans for building six new school buildings. This will give many children from isolated rural regions access to a school closer to their villages, so that they no longer have to endure a long and tiring walk to school. Smaller classes and well-equipped classrooms will ensure every pupil has a desk and offer a quiet learning environment. The curriculum will also include a very special subject: classes held in school gardens will teach children important aspects of growing cotton and vegetables sustainably. This integrates key knowledge about environmentally-friendly and efficient agricultural technologies directly into the children's regular class work. •

Aid by Trade Foundation Gains New Demand Alliance Partners

C&A and Ernting's family purchase CmiA Cotton

By Stephan Engel (Managing Director for Sales & Finance of "Cotton made in Africa"/Atakora)

The Aid by Trade Foundation has succeeded in further enhancing the Cotton made in Africa Demand Alliance. The foundation acquired one of Europe's leading fashion retailers, C&A, as well as the well known textile company Ernting's family as partners.

With nearly 1,500 stores in 19 European countries and more than 36,500 employees, C&A Europe is one of the leading fashion retail businesses in Europe. In the financial period from March 2010 to February 2011, the company achieved a turnover of 6.59 billion euros.



C&A is not only one of the biggest retailers in the world, but also a company that places great importance on sustainable and responsible business. "We're happy to respond to our customers' demand for fashion produced in a socially and environmentally sustainable way," says Phil Chamberlain, Head of Sustainable Business

Development at C&A. "Cotton made in Africa offers us a great opportunity to use a high-value raw material with added social value in our textiles." With the sustainably produced African cotton, C&A widens its extensive engagement that has been focused on the procurement of organic cotton. In 2012 the company is planning to start off with 1,000 tons of CmiA cotton and to expand their demand to 1,500 tons in 2013 and 2,000 tons in 2014.

The textile producer Ernting's family joined Cotton made in Africa's international textile network in May 2011. Since November 2011, CmiA labeled products are being sold in the company's ap-

proximately 1,600 stores and online.

"Social responsibility is an important part of our philosophy and has been embedded into the brand ever since. We have been cooperating with regional and national partners for many years in order to improve the living conditions of many different people," says Marcello



Ernting's family

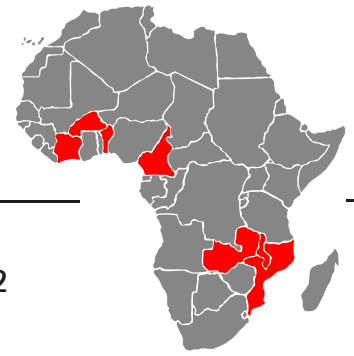
Von fröhlichen Familien empfohlen.

Concilio, Head of Public & Business Relations at Ernting's family. Amongst others, the company works with the organization „Herzenswünsche," the youth project "skate-aid" and local workshops for disabled people. "In cooperating with CmiA we are expanding our engagement and help to support the sustainable cotton production of African smallholder farmers." The company, which specializes in ladies' and children's wear, is also meeting the customers' demands for high quality, as well as for a quality price ratio by purchasing CmiA cotton, which comes with an added social value at market prices. In 2011, Ernting's family plans to produce 250,000 to 300,000 textiles with CmiA cotton. •



You want to subscribe to the CmiA newsletter? Please visit:

<http://www.cotton-made-in-africa.com/en/newsletter.html>



African cotton is making a comeback. Outlook for COMPACI beyond 2012

By Roger Peltzer (Project Director of COMPACI)



Roger Peltzer

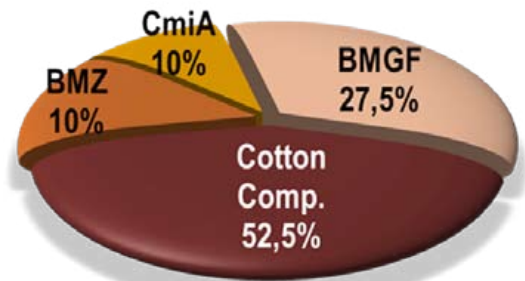
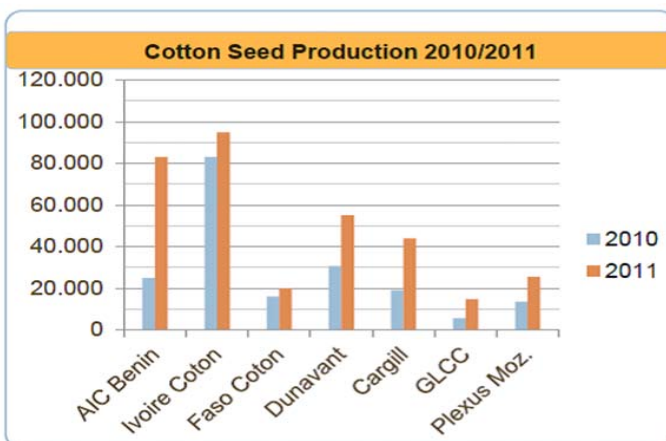
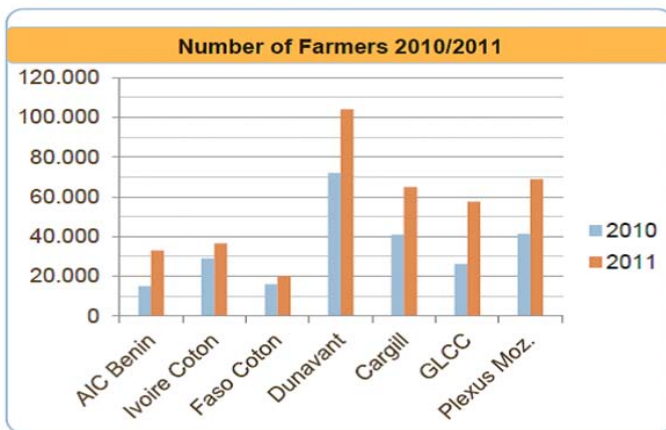
Farmers in Africa have benefited from the positive development in the world price for cotton in the season 2010/11. In 2011 they were able to sell their seed cotton at significantly higher prices. African cotton has therefore once again become more competitive compared to other crops. The farmers are expanding their surface areas of cultivation. The partners of COMPACI especially are benefitting from this: The number of farmers, the surface areas and yields are increasing, as shown in the table below:

Representative surveys show that the COMPACI farmers typically have 6 mouths to feed. The program therefore supports 2.4 million people, of which 80% fall below the poverty line, i.e. live on less than USD 1.50 per capita per day.

Meanwhile, Benin and Burkina Faso have produced initial impact reports. In these countries comparisons have been made with farmers from villages who have taken part in the COMPACI/CmiA for 3.4 years, and control groups who have not benefitted from COMPACI. In Burkina Faso COMPACI farmers who have systematically used compost pits were able to increase their corn yields by 20% and cotton yields by 25%. A rise of 45% in net income can be attributed to cotton alone. In Benin the COMPACI/CmiA farmers who practiced LEC/IPM earned 35% higher net wages than those in the control group.

What is the outlook for COMPACI beyond 2012?

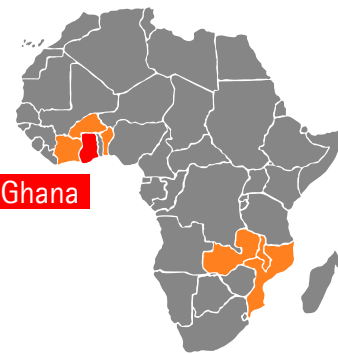
The Gates Foundation and the German Federal Ministry for Economic Cooperation and Development (Bundesministerium für Wirtschaftliche Zusammenarbeit, BMZ) have indicated their interest in carrying out a second program phase, which would go from 2013 – 2015, with the current COMPACI partners on the basis of the success of the first phase. This phase should benefit a minimum of 450,000 farmers. The underlying principle in this case is a gradual reduction of public funds (Gates und BMZ), with the cotton companies and the Aid by Trade Foundation gradually taking on a larger proportion of the financing. The principle is illustrated in the following graphic.



The focal area of the second phase of the program, as planned with the Gates Foundation, the BMZ and the cotton companies, is no longer on training in good agricultural practices, but on concentrating on measures for improving soil fertility (organic fertilizer, minimum tillage, use of biomass) in addition to training aimed at improving the business and household management of the farmers. In this way farmers should be supported in managing their businesses and households more successfully against the backdrop of fluctuating prices for the individual cultivation crops. Cotton will remain a key area, but the direct and indirect promotion of food crop cultivation will also be considered. Work on a detailed offer for the second phase of COMPACI will take place during the first half of 2012. •

Number of farmers involved in the Competitive African Cotton Initiative to date

	Beginning of 2011	Mid-2012 (estimate)
Contracted farmers	350.000	400.000
Trained farmers	210.000	300.000
CmiA-verified farmers	300.000	350.000



Introducing a new COMPACI sub-grant partner for 2011/2012: Armajaro Ghana Limited (ACGL)

By Rafael Flor (Business Head at ACGL)



Rafael Flor

History of the cotton sector in Ghana

Cotton is one of the major cash crops in the three northern regions of Ghana. Large-scale cotton production started in the late 1960s and is now experiencing a comeback after a difficult period of ups and downs.

The Ghana Cotton Development Authority (CDA) was established in 1968 with the purpose, among others, to stimulate local cotton production. Production reached a peak of 10,000 tons in 1976, before falling to around one-tenth of this figure by the mid-1980s. This

was the result of inadequate provision of inputs to farmers, low lint prices and overall mismanagement of the system. Upon recommendations of the World Bank and as part of the liberalization of the sector, the CDA was privatized and renamed as Ghana Cotton Company Limited in 1985, with the Government holding 30% of its shares.

In the 1990s, cotton production increased significantly from about 900 tons to more than 24,000 tons. This was mainly due to an increase in area under cultivation and to gains in productivity. However, this period of growth was followed by a period of rapid decline. Liberalization of the sector and economy led to an influx of cheap textiles, high input costs and higher interest rates. As a result, companies were highly indebted by the beginning of 2000 and lacked access to any additional finance.

This presented a sharp contrast to what was being experienced in neighboring countries, where total production of cotton was increasing.

New beginnings

With the aim of re-developing the cotton sector and accelerating economic growth in the Northern Regions, the Government of Ghana announced a new "White Gold" Campaign in September 2010 and adopted a Cotton Sector Revival Strategy in November 2010. The Northern cotton belt of Ghana was therefore divided into 3 zoned buying monopolies and transitional concession contracts were signed with 3 strategic investors like, for example, Armajaro Cotton Ghana Ltd. (ACGL). ACGL was given exclusive rights to operate in part of the North-Central Zone. The company's network extends to more than 700 villages in 12 districts (Tamale, Savelugu, Tolon-Kumbungu, Yendi, Bimbilla, Wulensi, Salaga, Bole, Buipe, Sawla-Tuna, Kalba and Kpandai).

New partner for COMPACI

ACGL believes in sustainable cotton production. The company's aim is to partner with 100,000 smallholder farmers in the long term in order to produce cotton. ACGL has established an extension and inputs distribution network, which supplies inputs on credit to participating farmers and provides training in the best agronomic practices and crop management to smallholder farmers. Armajaro Ghana is proud to join COMPACI as a new partner!

Armajaro signed the sub-grant agreement in Livingstone in October 2011 at the annual COMPACI-/ Cotton made in Africa- Stakeholder Conference. The Ghanaian company will receive support from COMPACI in both this and the following year. •



Signing of Sub-Grant Agreement with Armajaro Ghana Ltd., co-owner Plexus Cotton Ltd. and COMPACI management during the annual COMPACI / CmiA Stakeholder Conference in Livingstone / Zambia, October 2011 (from left to right): Fritz Grobien (Director African Operations, Plexus), Roger Peltzer (COMPACI Project Director, DEG) and Nick Earlam (Chairman of Plexus).

CV

- Name:** Rafael Flor
- Nationality:** Ecuadorian
- Current Position:** Business Head, ACGL (Tamale - Ghana)
- Professional Qualifications:**
- 2011 - Present:** Business Head, Armajaro Cotton Ghana Ltd. (Tamale - Ghana)
- 2005 - 2010:** Agriculture and Value Chain Advisor, MDG Centre West Africa (Ghana, Liberia, Mali, Nigeria, Senegal, & Sierra Leone)
- 2003 - 2005:** Research Associate, Tropical Agriculture Program at the Earth Institute of Columbia University (New York - USA, Kisumu - Kenya)
- 2001 - 2002:** Research and Policy Analyst, United Nations Development Program: Millennium Project Task Force on Hunger (New York)
- 1997 - 2001:** Various positions with USAID-funded projects (Tegucigalpa - Honduras)
- Education:** Masters in Public Administration, School of International and Public Affairs at Columbia University (USA)
Agricultural Engineer, Zamorano University (Honduras)



We wish all participants of COMPACI and Cotton Made in Africa a happy and prosperous New Year 2012 !